

Message Text

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PAGE 01 LIMA 06633 061639Z

ACTION ARA-14

INFO OCT-01 ISO-00 EB-08 TRSE-00 SS-15 SP-02 CIAE-00

INR-07 NSAE-00 XMB-02 AID-05 /054 W

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC 6051

C O N F I D E N T I A L LIMA 6633

E.O. 11652: GDS

TAGS: EGEN, EFIN

SUBJECT: NEGOTIATIONS WITH THE IMF

1. I CALLED AUGUST 5 ON MINISTER OF FINANCE ALCIBIADES SAENZ BARSALLO AS PART OF MY PROTOCOLARY ROUNDS. SAENZ WAS ACCOMPANIED BY HIS TEAM, INCLUDING VICE MINISTER DICK ALCANTARA, AND THE PRESIDENT OF THE CENTRAL BANK, GERMAN DE LA MELENA. THE GROUP WAS GENERALLY UNCOMMUNICATIVE WITH RESPECT TO ITS PLANS, BUT SAENZ DID SAY THAT THE GOP WOULD NOT BE IN A POSITION TO RESUME CONVERSATIONS WITH THE IMF BEFORE EARLY SEPTEMBER. HE ASSERTED THAT HE AND HIS PEOPLE WERE WORKING DAY AND NIGHT TO PUT THEIR PACKAGE TOGETHER. THE MINISTER ALSO INDICATED THAT THE GENERAL THRUST WOULD STILL BE TOWARD "AUSTERITY", ALTHOUGH PERU'S DIFFICULT SOCIAL PROBLEMS HAVE ALREADY REQUIRED SOME LOOSENING.

2. ALCANTARA EXPRESSED THE HOPE THAT THE INTERNATIONAL BANKS WOULD UNDERSTAND THE NEED FOR A "BRIDGE" PERIOD WHILE THE NEW TEAM WORKED OUT ITS PLANS. I NOTED THAT IT WOULD BE IMPORTANT FOR THE GOP TO MAKE CLEAR TO THE BANKS THAT THIS WORK IS UNDERWAY AND THAT TALKS WITH THE FUND WILL BE RESUMED IN SEPTEMBER. (I ALSO TOOK THE OPPORTUNITY TO PRESS SAENZ ON THE GULF CASE. ALCANTARA AT THIS POINT REPEATED WHAT HE HAD PREVIOUSLY TOLD THE ECONOMIC COUNSELOR - LIMA 5573).

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PAGE 02 LIMA 06633 061639Z

3. CONTRARY TO THE IMPRESSION SAENZ GAVE, MINISTER OF HOUSING RADM GERONIMO CAFFERATTA MAROZZI TOLD ME THAT REPRESENTATIVES OF THE GOP IN WASHINGTON ARE CURRENTLY IN TOUCH WITH THE FUND. ANY READING THE DEPARTMENT MAY HAVE ON THIS MATTER WOULD BE APPRECIATED. SHLAUDEMAM

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Message Attributes

Automatic Decaptioning: X
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Sent Date: 06-Aug-1977 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
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TAGS: EGEN, EFIN, PE, IMF, (SAENZ BARSALLO, ALCIBIADES)
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